

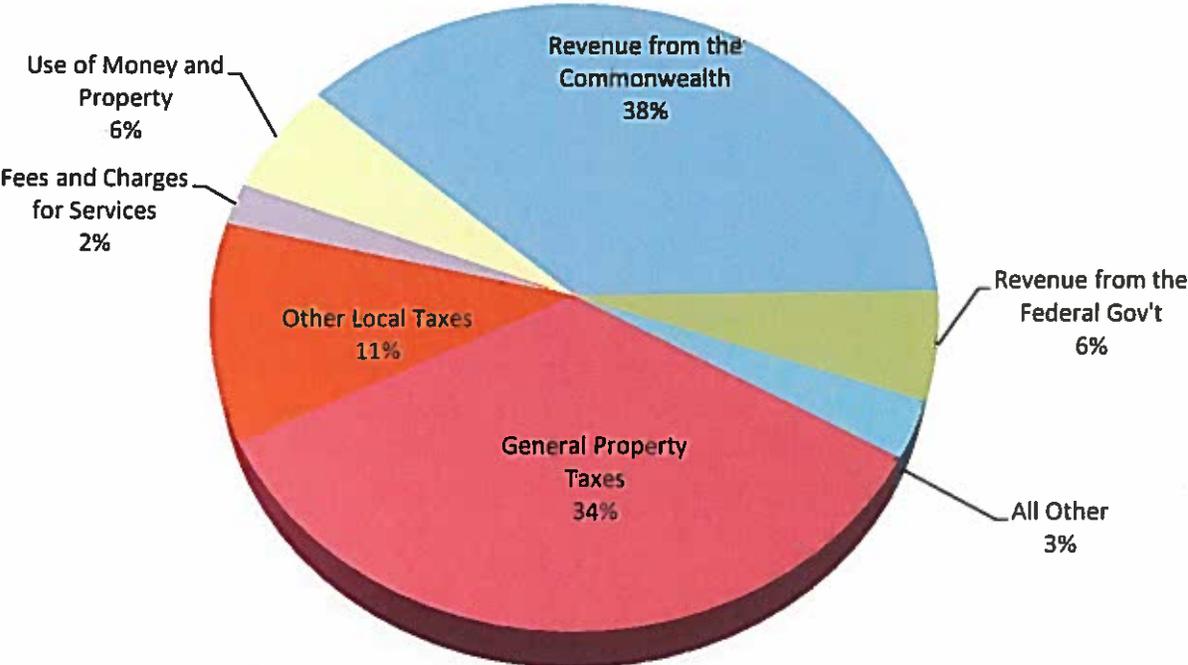
Fund Summaries and Details



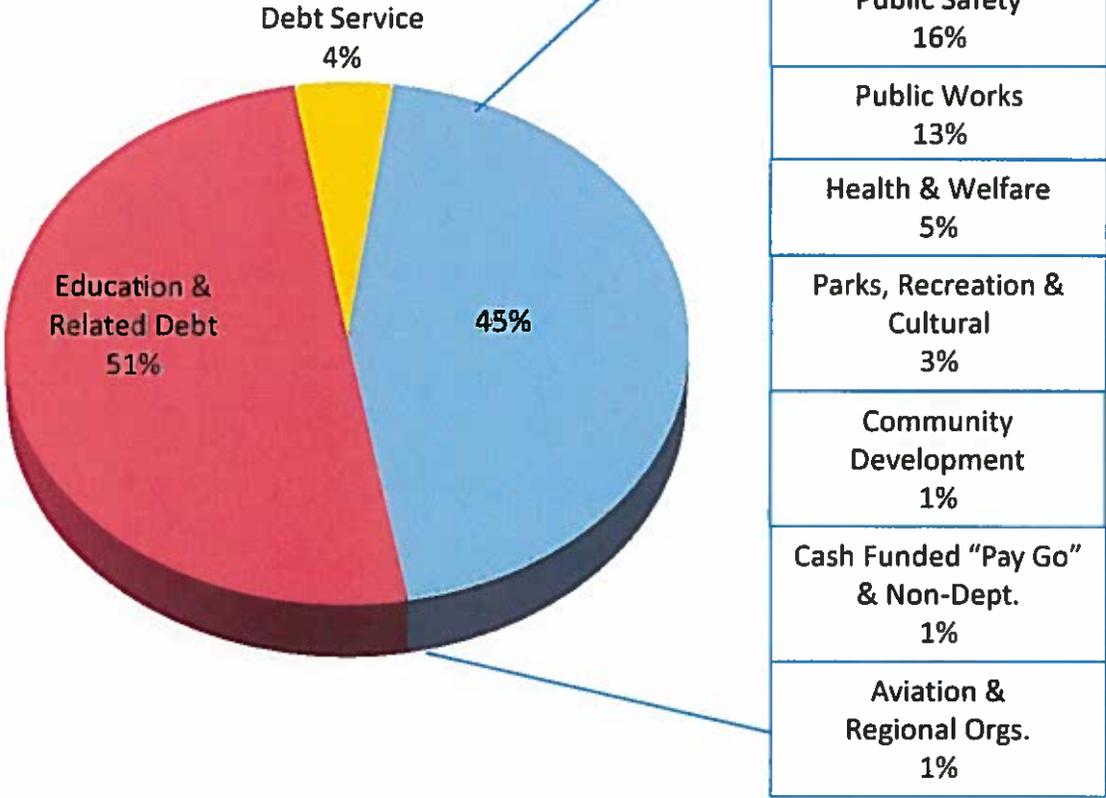
**CITY OF SUFFOLK, VIRGINIA
FY 2014-15 OPERATING AND CAPITAL BUDGET**

Annual Operating and Capital Budget by Fund					
Fund	Budget 2011-2012	Budget 2012-2013	Budget 2013-2014	Adopted Budget 2014-2015	Prior Yr. % Change
General Fund	\$ 169,359,094	\$ 173,573,360	\$ 179,879,375	\$ 180,198,458	0.2%
Capital Projects Fund	90,409,365	54,348,975	44,423,000	56,380,000	27%
Debt Service Fund	25,139,326	25,650,824	26,446,338	27,436,032	4%
Downtown Business Overlay District	200,000	220,000	200,000	170,000	-15%
Route 17 Special Taxing District	1,350,000	1,947,196	2,482,441	1,300,000	-48%
Grants Fund	1,400,088	1,096,843	683,980	674,215	-1%
Transit System Fund	0	845,770	865,808	1,053,621	22%
Aviation Facilities Fund	1,196,533	1,274,384	1,070,758	1,053,814	-2%
Law Library Fund	42,520	48,012	38,960	41,460	6%
Road Maintenance Fund	20,012,612	21,403,945	22,292,941	25,005,775	12%
Fleet Management Fund	12,278,499	12,884,946	14,318,220	14,898,056	4%
Information Technology Fund	4,352,314	4,803,949	5,476,959	5,452,162	-0.5%
Risk Management Fund	17,161,168	18,208,430	17,393,813	17,253,728	-1%
Utility Fund	37,400,653	42,958,759	45,274,613	46,716,280	3%
Stormwater Fund	5,288,671	5,305,000	4,580,000	6,139,840	34%
Refuse Services Fund	6,940,880	5,912,350	6,042,350	6,817,756	13%
School Fund	140,358,588	138,314,412	142,810,562	148,125,620	4%
Total Funds Budget	\$ 532,890,311	\$ 508,797,157	\$ 514,280,120	\$ 538,716,817	

Where Is It Coming From ...

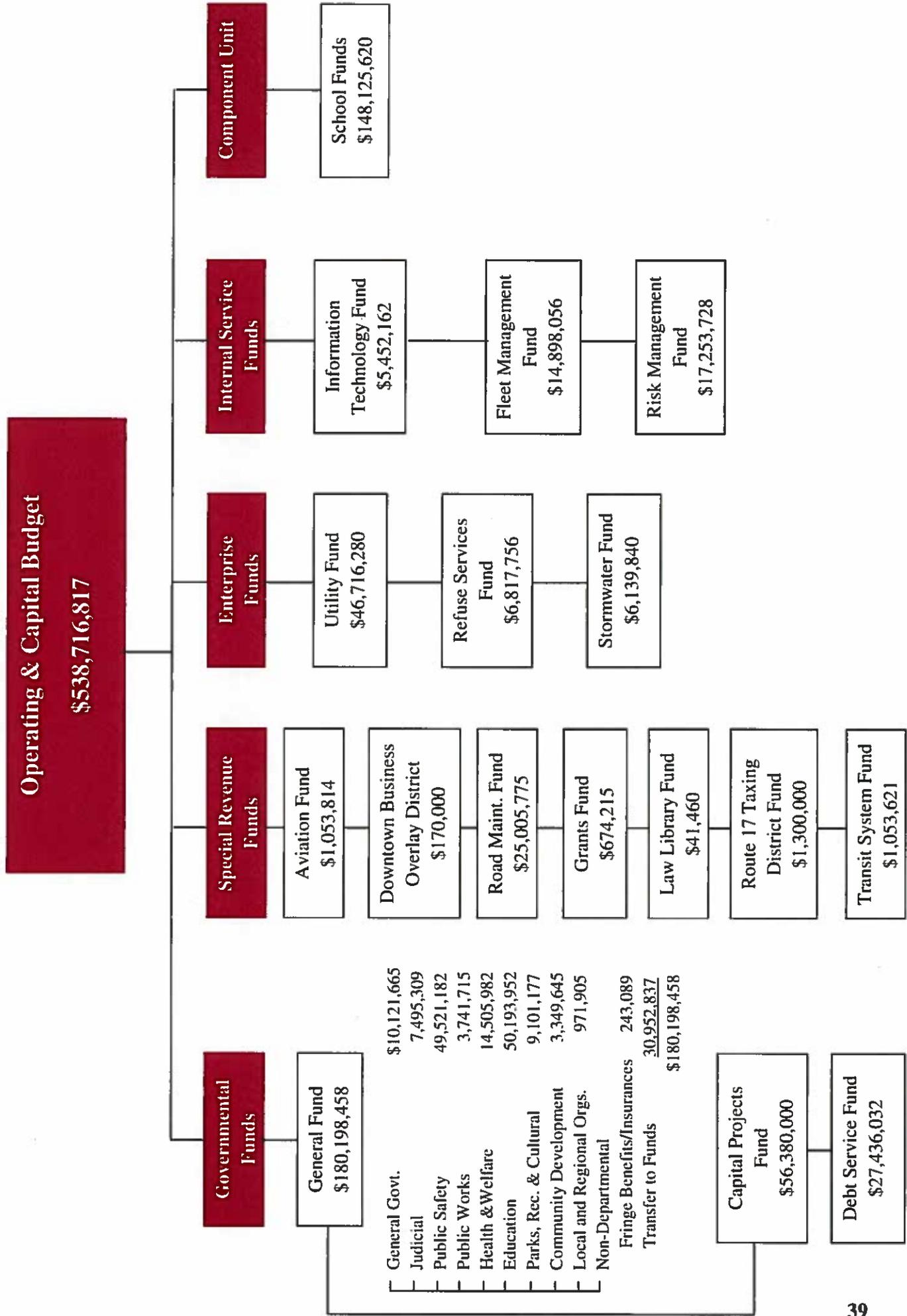


Where Is It Going ...



SUMMARY CHART

TOTAL EXPENDITURES



City of Suffolk
Adopted FY 14-15' Operating and Capital Budget

General Fund - Executive Summary

Current R.E. Tax Rate:	\$	1.03		%
Adopted R.E. Tax Rate:	\$	1.03	General Fund	Change
Adopted Tax Adjustment:	\$	-		
Reassessment Tax Rate Impact to Citizens:	\$	-		
Adopted Revenues:			\$ 180,198,458	0.5%
Adopted Expenditures:			\$ 180,198,458	0.2%
Unfunded Gap:			\$ (0)	

PRIMARY BUDGET GOALS:

- 1 Provide New Revenue to Support Education Priorities
- 2 Balance Competing Service Demands with Minimal Tax Impact to Citizens
- 3 Protect Financial Compliance Progress and "Best Management Practices"
- 4 Maximize Business Retention and Expansion Opportunities
- 5 Maintain Critical Personnel Resources to Service Citizens
- 6 Protect Public Safety, Health and Human Services, Senior and Youth Programming

OTHER IMPORTANT BUDGET ITEMS TO NOTE:

- Transfers an additional 1% of retirement contribution to employees (3rd year of 5 year phase in) and provides 1% pay increase per State mandate.
- Continues city cost reduction practices from prior years for cumulative operating cost reductions of \$17.3M since 2007.
- Includes NO layoffs, furloughs, or pay reductions to existing personnel
- Freezes 8 vacant positions to address increased costs and balance budget.
- Reorganization of Finance - Transfer Fire and Police timekeepers to Finance
- Net of 1 additional positions as follows:
 - adds 1 position to Assessors for the increased work load.

FINANCIAL POLICY COMPLIANCE STATUS:

➤ Undesignated Fund Balance as % of Govtl' Funds - 12% minimum	14.3% Projected
➤ Capital Cash "Pay-Go" - 3% min. of General Fund Expenses	3% Projected
➤ Debt as % of Assessed Value - 4% maximum	2.13% Projected
➤ Debt as % of General Govt. Expense - 10% maximum	9.48% Projected

SUMMARY OF BUDGETED REVENUE CHANGES FROM PRIOR YEAR:		\$	862,083	0%
> Revenue Gains / (Losses) :				
- Local Tax		\$	895,243	
- Miscellaneous/Fees			(164,771)	
- State Revenue & Aid			12,408	
- Federal Revenue & Aid			200,000	
- Other			(80,797)	
SUMMARY OF BUDGETED EXPENDITURE CHANGES FROM PRIOR YEAR:		\$	319,083	0%
> Expenditure Increases / (Decreases):				
- Local Contribution to Schools (increase due to lease payment)		\$	18,794	
- Personnel & Benefits			(506,547)	
- Debt Payments			1,010,109	
- Information Technology Software, Support, and Equipment			(324,186)	
- Fleet & Fuels			257,198	
- Risk Insurances (OPEB, Workers Comp, Health, Property, Line of Duty)			(350,910)	
- Health & Welfare - Social Services			(7,042)	
- Utilities			51,525	
- Telecommunications			59,526	
- Lease of Equipment			34,131	
- Copying			159,260	
- Printing			1,960	
- Travel & Training			48,315	
- Office Supplies			29,165	
- Postage			26,259	
- Special Programs - Fee Based (Tourism, Parks)			49,385	
- Uniforms			3,170	
- Lease of Buildings			108,200	
- Organizational Dues			7,199	
- Juvenile Detention Services			2,500	
- Advertising			(7,400)	
- Repairs and Maintenance (eliminated outside vendor for custodial service to part time employment)			66,595	
- Equipment Replacements and Additions			97,990	
- Local Organization Contributions			(6,639)	
- Transfer to Other Funds (Aviation, Transit)			(212,234)	
- Regional Organization Memberships			3,952	
- Professional Services			238,053	
- Books & Subscriptions			3,754	
TOTAL INCREASED SERVICE REQUIREMENTS:		\$	862,083	

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Capital Projects Fund - Executive Summary

	Capital Projects	%
Adopted Revenues:	\$ 56,380,000	27%
Adopted Expenditures:	\$ 56,380,000	27%
Unfunded Gap:	\$ -	

Increase / (Decrease) from Prior Fiscal Year: \$ 11,957,000

Proposal Includes:

➤ \$13.725M in Public Utility bond funding for recommended essential water/sewer projects.

➤ Includes GO Bonded Projects of the following:

	2014 Bond \$	Grant \$	%
<u>Public Safety:</u>			
Aerial Ladder Truck	\$ 425,000		
Lake Kilby Station Addition	400,000		
<u>Parks & Recreation:</u>			
Bennett's Creek Recreation Center	1,500,000		
Parks Maintenance and Storage Facility	250,000		
<u>Education:</u>			
Multiple Campus Land	2,000,000		
New Middle School	500,000		
<u>Public Buildings & Facilities:</u>			
Central Library	2,000,000		
<u>Transportation Safety:</u>			
Holland Rd Construction (local match to VDOT award)	5,000,000	5,000,000	50%
Kenyon Rd Connector Construction (local match to VDOT award)	1,000,000	1,000,000	50%
	\$ 13,075,000	\$ 6,000,000	

➤ Cash Pay-Go Funding to leverage significant grant support of the following projects:

	Cash Pay-Go	Grant \$	%
<u>Parks & Recreation:</u>			
Trail Enhancements	25,000	25,000	50%
<u>Transportation Safety:</u>			
Chuckatuck/Kings Hwy/Rt10 Intersection Improvements	150,000	150,000	50%
Shoulders Hill Rd Sidewalk Improvement	70,000	280,000	80%
<u>Aviation:</u>			
Airport Parallel Taxiway	3,000	147,000	98%
Parking Expansion & Entrance Improvements	15,000	60,000	80%
Runway 4-22 Obstruction Removal	1,600	78,400	98%
	\$ 264,600	\$ 740,400	

FINANCIAL POLICY COMPLIANCE STATUS:

➤ Capital Cash "Pay-Go" - 3% min. of General Fund Expenses **3% Projected**

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Aviation Facilities Fund- Executive Summary

	<u>Aviation</u>	<u>% Change</u>
Adopted Revenues:	\$ 1,053,814	-2%
Adopted Expenditures:	\$ 1,053,814	-2%
Unfunded Gap:	<u>\$ -</u>	

Increase / (Decrease) from Prior Fiscal Year: \$ (16,944)

Proposal Includes:

- Administrative and operational services and facilities to the general aviation community. Division maintains and operates the Suffolk Executive Airport to include runways, taxiways, hangar facilities, apron and tie down facilities, fueling facilities, required navigational equipment, and the airport café.
- A transfer of \$135,276 to support Airport operations from the General Fund to a Special Revenue Fund under the management of the Department of Economic Development.

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Downtown Business Overlay Tax District Fund - Executive Summary

		<u>DBOD</u>	%
			Change
Current Tax Rate:	\$ 0.105		
Adopted Tax Rate:	\$ 0.105		
Adopted Tax Rate Adjustment:	\$ -		
Reassessment Tax Rate Impact to Citizens:	\$ -		
Adopted Revenues:		\$ 170,000	-15%
Adopted Expenditures:		\$ 170,000	-15%
Unfunded Gap:		\$ -	

Increase / (Decrease) from Prior Fiscal Year: \$ (30,000)

Proposal Includes:

- Funding to foster economic development in Downtown Suffolk. Revenues provide for beautification enhancements to the downtown business district, sidewalk and street sweeping, and refuse services.

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Law Library Fund - Executive Summary

	<u>Law Library</u>	<u>% Change</u>
Adopted Revenues:	\$ 41,460	6%
Adopted Expenditures:	\$ 41,460	6%
Unfunded Gap:	<u>\$ 0</u>	

Increase / (Decrease) from Prior Fiscal Year: \$ 2,500

Proposal Includes:

- Funding to provide the general public and legal community access to current legal and consumer protection information at no cost. A special fee of \$4.00 is levied on civil court cases in the General District and Circuit Courts. This fee is held in a separate fund for the purpose of providing the public and Officers of the Court with a reliable network of legal information and educational support. This fund also supports community outreach efforts, legal publications, the salaries of support staff, and operating costs of the library.

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

RT. 17 Tax District Fund - Executive Summary

		<u>RT. 17 Tax District</u>	<u>% Change</u>
Current Tax Rate:	\$ 0.25		
Adopted Tax Rate:	\$ 0.24		
Adopted Tax Rate Adjustment:	\$ (0.01)		
Reassessment Tax Rate Impact to Citizens:	\$ (0.01)		
Adopted Revenues:		\$ 1,300,000	-48%
Adopted Expenditures:		\$ 1,300,000	-48%
Unfunded Gap:		\$ -	

Increase / (Decrease) from Prior Fiscal Year: \$ (1,182,441)

Proposal Includes:

- Funding for purposes of the taxing district to foster economic development in the northern region of the City to promote economic development and business attraction in the district.
- Transfer of debt service for payment of previously financed transportation improvements in the taxing district.
- Allocation of \$250,000 to provide CIP Recommended Capital Project funding for:
College Dr./ Harbourview Blvd. Intersection Improvements \$ 250,000

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Road Maintenance Fund - Executive Summary

	<u>Road Maintenance</u>	<u>% Change</u>
Adopted Revenues:	\$ 25,005,775	12%
Adopted Expenditures:	\$ 25,005,775	12%
Unfunded Gap:	\$ <u>0</u>	

Increase / (Decrease) from Prior Fiscal Year: \$ 2,712,834

Proposal Includes:

- State Road Maintenance revenue based on City lane miles of: 1,215
- Addition of 1 FTE - Construction Inspector to address work load increases.

City of Suffolk
Adopted FY 14-15' Operating and Capital Budget

Debt Fund - Executive Summary

	Debt	% Change
Adopted Revenues:	\$ 27,436,032	4%
Adopted Expenditures:	\$ 27,436,032	4%
Unfunded Gap:	\$ -	

Increase / (Decrease) from Prior Fiscal Year: \$ 989,694

Proposal Includes:

➤ Current annual debt service for General Government and Rt. 17 Taxing District Projects.

➤ Includes GO Bond Revenue for the following projects:

Public Safety:

Aerial Ladder Truck	\$ 425,000
Lake Kilby Station Addition	400,000

Parks & Recreation:

Bennett's Creek Center	1,500,000
Parks Maintenance and Storage Facility	250,000

Education:

Multiple Campus Land	2,000,000
New Middle School	500,000

Public Buildings & Facilities:

Central Library	2,000,000
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Transportation Safety:

Holland Rd Construction (local match to VDOT award)	5,000,000
Kenyon Rd Connector Construction (local match to VDOT award)	1,000,000

FY 15' New Bond Issuance: \$ 13,075,000

FINANCIAL POLICY COMPLIANCE STATUS:

➤ Debt as % of Assessed Value - 4% maximum	2.13% Projected
➤ Debt as % of General Govt. Expense - 10% maximum	9.48% Projected

City of Suffolk
Adopted FY 14-15' Operating and Capital Budget

Public Utilities - Executive Summary

	Public Utilities	% Change
Adopted Revenues:	\$ 46,716,280	3%
Adopted Expenditures:	\$ 46,716,280	3%
Unfunded Gap:	\$ (0)	

Increase / (Decrease) from Prior Fiscal Year: \$ 1,441,667

Proposal Includes:

- New customer revenue projection of 350 ERU's (Equivalent Residential Units)
- Addition of 1 FTE - Parts and Procurement Specialist
- The following rate structure adjustments are proposed effective July 1 :

	FY 14'	FY 15'	% Change
Water per 100 cubic feet	\$ 7.84	\$ 8.29	5.7%
Sewer per 100 cubic feet	\$ 5.82	\$ 6.47	11.2%
Water Availability Charge - Single Family	\$ 5,520	\$ 5,520	0%
Sewer Availability Charge - Single Family	\$ 6,000	\$ 6,000	0%

FINANCIAL POLICY COMPLIANCE STATUS:

- Utility Fund Financial Independence of the General Fund **Yes**
- Unrestricted Cash and Long Term Investments Balance at 25% of operations **34.5%**
- Bond amortization not to exceed useful life of projects financed **Yes**
- Debt Service Coverage Ratio of 1.20 or greater **1.20**
- Asset Replacement and System Extension shall not be 100% debt financed upon completion of the City's new water treatment facility (2015) **On Target**

City of Suffolk
Adopted FY 14-15' Operating and Capital Budget

Stormwater Fund - Executive Summary

		<u>Stormwater</u>	%
			Change
Current Monthly Fee per ERU:	\$ 5.24		
Adopted Monthly Fee per ERU:	\$ 6.00		
Adopted Revenues:		\$ 6,139,840	34%
Adopted Expenditures:		\$ 6,139,840	34%
Unfunded Gap:		\$ 0	

Increase / (Decrease) from Prior Fiscal Year: \$ 1,559,840

Proposal Includes:

- Mandated provision of Stormwater management services citywide to include mosquito control services.
- Addition of 3 FTE's for an Engineering Technician, Assistant Right of Way Technician, and Senior Engineering Technician

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Transit Fund - Executive Summary

	<u>Transit</u>	<u>% Change</u>
Adopted Revenues:	\$ 1,053,621	22%
Adopted Expenditures:	\$ 1,053,621	22%
Unfunded Gap:	\$ -	

Increase / (Decrease) from Prior Fiscal Year: \$ 187,813

Proposal Includes:

- Outsource of service delivery Virginia Regional Transit Authority.
- Addition of new transit routes to provide service to Northern Suffolk
- Capital acquisition of City buses via grant funding assistance.

City of Suffolk
Adopted FY 14-15' Operating and Capital Budget

Refuse Fund - Executive Summary

	\$	17.50	<u>Refuse</u>	%
	\$	16.50		Change
Current Monthly Fee per Household:				
Adopted Monthly Fee per Household:				
Adopted Revenues:			\$ 6,817,756	13%
Adopted Expenditures:			\$ 6,817,756	13%
Unfunded Gap:			\$ (0)	

Increase / (Decrease) from Prior Fiscal Year: \$ 775,406

Proposal Includes:

- Provides for Citywide Refuse, Recycling, Bulk Refuse pick up and Landfill post closure planning and management.
- Provides for Citywide residential refuse and recycling pick-up to an estimated 28,900 households.
- Compliance plan for State 25% citywide recycling requirement.

City of Suffolk
Adopted FY 14-15' Operating and Capital Budget

Grants Fund - Executive Summary

	Grants	%
		Change
Adopted Revenues:	\$ 674,215	-1%
Adopted Expenditures:	\$ 674,215	-1%
Unfunded Gap:	\$ -	

Increase / (Decrease) from Prior Fiscal Year: \$ (9,765)

Proposal Includes:

- \$350,000 in local cash match funds to leverage State and Federal grant opportunities for the City. Each local \$1 = \$6 average return in grant awards.
- Reduced Annual Allocations for CDBG and HOME funds are anticipated from the Federal Government, therefore, budget only includes portion of receipts to Section 108 loan of \$324,215.

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Fleet Fund - Executive Summary

	<u>Fleet</u>	<u>% Change</u>
Adopted Revenues:	\$ 14,898,056	4%
Adopted Expenditures:	\$ 14,898,056	4%
Unfunded Gap:	\$ (0)	

Increase / (Decrease) from Prior Fiscal Year: \$ 579,837

Proposal Includes:

- Increased cost estimate for fuel of \$3.39 per gallon from \$3.22 per gallon (govt. secured rate).
- Replacement of fleet equipment exceeding standards for replacement due to cost and safety factors.
- Increased revenue due to cash contributions of \$156,000 from Roadway and Stormwater Fund for certain cash funded equipment acquisitions.

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Information Technology Fund - Executive Summary

	<u>Information Technology</u>	<u>% Change</u>
Adopted Revenues:	\$ 5,452,162	0%
Adopted Expenditures:	\$ 5,452,162	0%
Unfunded Gap:	\$ (0)	

Increase / (Decrease) from Prior Fiscal Year: \$ (24,798)

Proposal Includes:

- Funding to provide for technology support services citywide for:
 - information technology disaster recovery
 - website maintenance
 - telecommunications, radio and tower services
 - network infrastructure
 - internet services
 - numerous and varied hardware and software program support

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

Risk Fund - Executive Summary

	<u>Risk</u>	<u>% Change</u>
Adopted Revenues:	\$ 17,253,728	-1%
Adopted Expenditures:	\$ 17,253,728	-1%
Unfunded Gap:	\$ <u>(0)</u>	

Increase / (Decrease) from Prior Fiscal Year: \$ (140,085)

Proposal Includes:

- Mandated coverage of workman's compensation, public safety "line of duty" benefits, and employee drug and alcohol screenings.
- Mandated provision of health insurance benefits to employees with 80%/20% employer/employee cost sharing formula.
- Mandated funding of required contribution to retiree benefits per GASB 45 OPEB ruling.

FINANCIAL POLICY COMPLIANCE STATUS:

- Projected compliance for Risk Stabilization Reserve of 20% of anticipated claims. Yes

**City of Suffolk
Adopted FY 14-15' Operating and Capital Budget**

School Operating Fund - Executive Summary

	<u>Schools</u>	<u>% Change</u>
Adopted Revenues:	\$ 148,125,620	3.72%
Adopted Expenditures:	\$ 148,125,620	3.72%
Unfunded Gap:	\$ (0)	

Increase / (Decrease) from Prior Fiscal Year: \$ 5,315,058

Recommendation Includes:

- Increase of \$5.3M in state/fed/other contributions.

	Year to Year Comparative Data			
	Adopted FY 14'	Requested FY 15'	Recommended FY 15'	% Change
Operating Fund	\$ 126.3	\$ 131.5	\$ 129.0	2.14%
Lease of Building	\$ 0.5	\$ 0.5	\$ 0.5	0.00%
Grant Fund	\$ 9.0	\$ 11.6	\$ 11.6	28.89%
Food Services Fund	\$ 7.0	\$ 7.0	\$ 7.0	0.00%
Operating Request:	\$ 142.8	\$ 150.6	\$ 148.1	3.71%
School Debt Service:	\$ 10.8	\$ 13.5	\$ 13.5	25.00%
Total School Funding:	\$ 153.6	\$ 164.1	\$ 161.6	5.21%

Student Population:

September Enrollment:	14,427	14,420	14,420	0%
Average Daily Membership:	13,800	13,800	13,800	0%

* Spending Per Pupil: 11,130 11,891 11,710 5.21%

* calculation includes all revenue of State, Federal, Local, Grants, and Other